

1 **BEFORE THE INSURANCE COMMISSIONER**
2 **OF THE STATE OF CALIFORNIA**
3

4 In the Matter of the License and Licensing
5 Rights of

File No. CD-2008-00001

6 ALLIANCE TITLE COMPANY, INC.,
7 a California Underwritten Title Company,
8

ORDER TO CEASE AND DESIST AND
NOTICE OF HEARING PURSUANT TO
INSURANCE CODE SECTIONS 1065.1
AND 1065.2

9
10 Respondent.
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12 Respondent ALLIANCE TITLE COMPANY, INC., is now, and since August 8, 1988,
13 has been licensed by the Insurance Commissioner as an Underwritten Title Company in the State
14 of California.

15 WHEREAS, Respondent ceased business operations on or about December 13, 2007, and

16 WHEREAS, the "Net worth" of Respondent, as determined pursuant to California
17 Insurance Code section 12389, was a deficit of (\$50,620,609) as of November 30, 2007, and

18 WHEREAS, the "working capital" of Respondent was a deficit of (\$22,090,271) as of
19 November 30, 2007, and

20 WHEREAS, Respondent, is a person specified in Insurance Code section 1010, and

21 WHEREAS, the above cited facts demonstrate that Respondent is in a financially
22 hazardous condition and has committed or engaged in acts or practices which under the California
23 Insurance Code would constitute grounds rendering Respondent subject to conservation or
24 liquidation proceedings pursuant to the conditions set forth in Insurance Code section 1011(d),
25 and

26 WHEREAS, pursuant to Insurance Code section 1065.2, irreparable loss and injury to the
27 property and business of Respondent may occur unless the Commissioner acts immediately.
28

1 NOW THEREFORE, the Insurance Commissioner intends to make such orders as are
2 reasonably necessary to correct, eliminate and remedy the conduct and conditions set forth above.

3 Pursuant to Insurance Code section 1065.2 (a), Respondent is hereby ordered, pending
4 hearing and any further orders of the Insurance Commissioner to be issued herein, to immediately
5 CEASE AND DESIST from engaging further in the transaction, solicitation, negotiation,
6 administration and writing of any new business of any kind in California. Any resumption of any
7 such business may occur only upon the prior written consent of the Insurance Commissioner.

8 Further, Respondent is ordered not to transfer or remove any assets from the State of
9 California without the prior written consent of the Insurance Commissioner, or to destroy or
10 conceal the location of any books, records, or accounts.

11 Further, Respondent is ordered not to engage in any of the following transactions without
12 the prior written consent of the Insurance Commissioner:

- 13 (A) The sale, purchase, exchange, loan, extension of credit or investment of any assets
14 with anyone, including Respondent's parent or affiliates;
- 15 (B) Any guarantees or undertakings for the benefit of Respondent's parent or any
16 affiliate which results in actual or contingent exposure of any of the Respondent's
17 assets;
- 18 (C) Any agreements which result in Respondent directly or indirectly assuming
19 business from any person;
- 20 (D) Any new or additional service contracts or cost sharing contracts with any person;
- 21 (E) The issuance of any new stock or dividends or any other distributions to its stock
22 holders; and
- 23 (F) Any direct or indirect federal tax allocation transactions with any person;

24 This Order may be amended or supplemented by such additional written orders as
25 the Insurance Commissioner may find reasonably necessary to correct, eliminate and remedy the
26 above conduct, conditions and grounds.

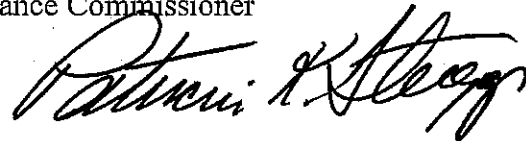
27 NOTICE IS HEREBY GIVEN that a public hearing will be held before the Insurance
28 Commissioner or his duly authorized Deputy at 10:00 a.m. on March 20, 2008, at the

1 Department of Insurance Hearing Room, 45 Fremont Street, 22nd floor, San Francisco, California
2 94105, for the purpose of considering and determining the matters set forth herein. The foregoing
3 notwithstanding, the hearing may be held at any date, place and time to which the Respondent
4 and the Department of Insurance agree.

5 IN WITNESS WHEREOF, I have set my hand and have affixed my official seal this 21st
6 day of February, 2008.

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10 STEVE POIZNER
Insurance Commissioner

11 By:



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13 PATRICIA K. STAGGS
Deputy General Counsel
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